

Greater Manchester Combined Authority

Date: 23 February 2024

Subject: Delivering the Bee Network: Bus Franchising Implementation Update

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport and Eammon Boylan, Chief Executive Officer, GMCA & TfGM.

Purpose of Report

To update GMCA on progress implementing bus franchising as part of the delivery of the Bee Network, Greater Manchester' vision for an integrated, 'London-style' transport system.

Recommendations:

GMCA is asked to note the progress towards the implementation of Tranche 2 of bus franchising.

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment

N/A

Risk Management

N/A

Legal Considerations

There are no specific legal implications with regards to this report.

Financial Consequences – Revenue

There are no specific legal financial implications with regards to this report.

Financial Consequences – Capital

There are no specific legal financial implications with regards to this report.

Number of attachments to the report: 0

Background Papers

N/A

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

No.

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

Comments/recommendations from Overview & Scrutiny Committee

N/A

Comments/recommendations from Bee Network Committee

N/A

1. Introduction

- 1.1. The Bee Network is Greater Manchester's vision for an integrated, 'London-style' transport system, which will change the way people travel across the city region. The Bee Network launched on 24 September 2023 following the successful implementation of bus franchising across Wigan, Bolton parts of Bury and Salford (Tranche 1), which represents approximately 20% of the Greater Manchester bus network.
- 1.2. Tranche 2 is scheduled to commence operations in Rochdale, Oldham and parts of Bury on 24th March 2024 taking the overall proportion of the Greater Manchester bus network which is franchised to circa 50%. The procurement of Tranche 3 operators is currently ongoing, with operations scheduled to commence on 5th January 2025, at which point the whole of the Greater Manchester bus network will be franchised and under public control.
- 1.3. With one month remaining of the 9-month mobilisation period and applying several lessons learned from Tranche 1 operational commencement, TfGM is confident that Tranche 2 operational commencement will proceed as planned.

2. T2 Franchise Background

- 2.1. Tranche 2 is made up of 3 Large Franchises and 3 Small Franchises across Rochdale, Oldham and the remaining parts of Bury. Tranche 2 represent 30% of the bus network in Greater Manchester and includes c. 500 buses and c. 1,000 drivers along with 3 depots which will transition as part of the mobilisation to franchising.
- 2.2. The 3 Large Franchises operate from the Oldham, Queens Road and Middleton depots. These Franchises have been awarded to Stagecoach and will transition from the incumbent operators First (Oldham) and Go NorthWest ('GNW') (Queens Road). The services operating from Middleton depot will continue to be operated by Stagecoach, but transition to the new Franchise Agreement and public control.
- 2.3. Of the 3 Smalls Franchises, two in Rochdale have been awarded to First, with the Oldham Small Franchise awarded to Diamond Bus.
- 2.4. Contract Award for Tranche 2 took place on 23rd June 2023 when the statutory nine-month minimum mobilisation period commenced resulting in an operational commencement date of 24th March 2024.

- 2.5. For the last 8 months TfGM have been working with the Tranche 2 Franchise Operators Stagecoach, First and Diamond to mobilise the franchise services and working with the outgoing operators in Tranche 2 (First and GNW) to demobilise and transition their depots, services and employees to prepare for handover to the new Franchise Operators.

3. Mobilisation Status

- 3.1. The Programme is on track to commence operations of a franchised network in Tranche 2 on 24th March 24.
- 3.2. The purchase of the Oldham and Queens Road depots has been completed and the acquisition of the Middleton depot via a lease is on track. Improvement plans for Queens Road and Oldham depots have been developed with some short term changes to be made at Queens Road which include temporary improved toilet facilities and short term repairs to the roof which will eventually need a complete replacement.
- 3.3. Electrification of the Oldham depot to enable the operation of new zero emission electric buses is on schedule, with the vast majority of the steel work in place and the wider installation of the network, charger units and cable fit out work in progress, following commencement at the end of January. Commissioning of the electrification infrastructure will take place one week before operational commencement date.
- 3.4. The delivery of the 50 zero emission buses (ZEBs) which will operate out of the Oldham depot have been impacted by Industrial Action at the Alexander Dennis (ADL) Falkirk Factory. All 50 ZEBs were expected to be delivered by 26th January, however only 2 have so far left the factory. If there is no further strike action, we expect to receive between 26 and 32 ZEBs ahead of 24th March 24. However, we have secured 30 Bee Network specification Euro VI diesel vehicles which will cover any shortfall in the ZEBs to ensure we still have enough vehicles of Bee Network standard from Day 1. Small Franchises have also been impacted by production delays of new vehicles, but an interim fleet has been secured to deliver services until all new vehicles arrive between March and June 2024. At the point of operational commencement date 60% of vehicles will have, as a minimum, external Bee Network Livery.

- 3.5. Small Franchise operators have confirmed they have enough drivers and engineers to operate a successful service without agency or seconded drivers mitigating several operational and financial risks.
- 3.6. For the Large Franchises, Stagecoach has confirmed it does not expect any agency drivers to be needed. There remains a risk however that the number of staff who have indicated they are willing to transfer to the new operators via TUPE will change as the operational commencement date approaches. To mitigate this risk, Stagecoach has seconded 80 drivers, engineers and allocators from within their Group to operate on the network if required. These drivers are already working on the network, backfilling incumbent drivers to enable training to take place.
- 3.7. Stagecoach has developed a comprehensive training package which has been assured by Unite and TfGM. Stagecoach has hired an external training agency to deliver the training to ensure standards are high, with feedback so far being positive and Unite officials have taken part in the training. To ensure successful delivery of training Stagecoach has seconded 60 drivers into both First and GNW to ensure drivers can be released for training ahead of operational commencement date. Training is underway with TfGM receiving regular progress updates.
- 3.8. Training will also cover familiarisation with routes and the local area with TfGM staff deployed to depots and interchanges to support drivers where required. Tranche 1 implementation has helped inform improvements to training materials to support drivers, including 'how to' guides on ticketing, ZEB use and other operational matters. TfGM officers are also visiting all depots alongside Unite as part of a set of roadshows to answer driver concerns or questions.
- 3.9. The installation of new ticket machines and the associated rewiring of buses has commenced much earlier in Tranche 2 and is progressing to plan.
- 3.10. A further 30 Travel Safe and Enforcement Officers are being recruited for the Tranche 2 area. Experienced Tranche 1 officers will work closely with new officers to ensure a consistent level of service from all Travel Safe and Enforcement Officers.
- 3.11. A significant amount of work has been undertaken to improve and develop the Bee Network App. New Journey Planning and Live Bus Tracking (My Bus) functions are on track to be launched in time for the start of Tranche 2 operations.

- 3.12. The scale of change required to introduce bus franchising inevitably poses operational challenges, with services changing from one operator to another overnight. Whilst the measures set out above seek to mitigate the impact on passengers it is likely there will be some disruption.
- 3.13. Similarly, whilst franchising provides the opportunity to transform bus services it will take time to tackle poor performance. Interventions are already being identified and developed to improve the worst performing services in the Tranche 2 area but a campaign will be launched asking passengers to 'Please bear with us' as changes are made.
- 3.14. The official launch of Tranche 2 will take place on 25th March 2024 at Oldham Interchange. Further information will be shared with members in due course.